G.R.S. IX—5]

Previous references. 1922. **File No.** 178-22

(67) **Serial Nos.** 1052

Later references.

Reserve
(Mr
3.11.23

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2

P-S-E **Part B for** May 1923

SUBJECT

Proposal to deposit £ 20,000 with Messrs Tata Sons.

2) Tel S 394 dt 2-9-1923
to C. Ramanatha Nair Saheb Esq. London

States that it is not considered desirable to make the proposed investment

BB 4/6/23

G. R. S. III-21

General and Revenue Secretariat.

G7 File No. 178 of 1923

Serial No.

I do not consider it desirable to ~~deposit~~ enfund Government funds ~~in~~ to ordinary Joint Stock Companies. The only exceptions to this arrangement we have so far permitted are the Bank of Mysore and Messrs. Coutts & Co. The former is under Government supervision and with the latter, we have had dealings from a very long time and besides, they are our bankers in London. The only other bank with which we keep money is the Imperial Bank of India.

It is not right to compare the rate of interest which Messrs. Coutts & Co. are paying on our current balances with that offered by Messrs. Tata & Co. We do not generally keep large amounts with our London bankers There is nothing to prevent us from bringing our money from London to India where not less than 5 per cent can be earned by fixing it ~~in fixed~~ as a deposit with either the Bank of Mysore or the Imperial Bank of India or by investing it in Government of India securities which can be sold at any time we want cash.

The policy of lending Government funds to Joint Stock Companies is unsound and I cannot, therefore, support the proposal.

Dewan
28/5/23

DEWAN'S OFFICE.
Rcd. on MAY 28 1923
Reg. No. 6933

NOTE—Contn. sheet.

Do reply sent to Mr. Ranganadhan Dy. Secy. Finance Dept. 29.5.23

No. 1878
26
1922 - 1923
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Extract from Mr. C. Ranganatha Rao Sahib's report for the week ending 3rd May 1923:-

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Loan Application.

Messrs Tata '& Co want a loan, or in other words, a deposit of £. 20,000 on which they are prepared to pay an interest of 6%. I enclose for the Dewan's information a copy (8) of my letter dated 30th April 1923 to Mr. Treble, the Manager of the Tatas, in pursuance of my conversation, with him and his reply thereto (9) received today. A deposit of £. 20,000 with this firm would give the Government in interest an annual income of 1,200£. On an average, Government are getting from Messrs. Coutts & Co., on a deposit of this amount about £.300. The Government wouldbe getting by this means an increased income of £.900 which would be more than sufficient for paying the contingent expenses of a London Office. I submit these letters for such action as the Dewan might please to take in the matter.

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Copy of the above is forwarded with compliments to the Financial Secretary to Government for favour of remarks.

Bangalore,
26th May 1923.

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21/5

Sentinel House,

Southampton Row, W.C.1.

Copy.

30th April 1923.

H.M.S. Tuckwell Esq.,

Messrs Tata Ltd.,
Capel House
New Broad Street, E.C.4.

Dear Sir,

With reference to our conversation on the afternoon on the 27th instant in regard to the deposit of £.20,000 with you, I am writing this letter in order that I may have a confirmatory letter from you to be submitted for the orders of my Government.

I understaod from you that Messrs Tata Ltd., London, would be willing to pay interest at the rate of 6% upon any sum up to £.20,000 deposited with them on current account and that the Government would be at liberty to withdraw any sum below £.5,000 without previous notice and sums exceeding this amount with notice of three to four days.

I believe that the Government will be quite willing to advance the amount required on these conditions and I shall be glad to have your reply before Thursday next, so as to enable me to write to the Dewan by this mail.

I am, Yours faithfully,

Sd. C. Ranganatha Rao Sahib.

Capel House,

New Broad Street,

E.C. 2.

2nd May 1923.

Dear Mr. Rao,

I have your letter addressed to Mr. Tuckwell dated 30th ultimo, the contents of which are quite in order according to our conversation, which you had with me and not with Mr. Tuckwell, on the 27th April.

Yours very truly,

Sd. H. Treble.

C. Ranganatha Rao Sahib.

G.F 178-22-2

D.O.No.71-5394. Financial Secretariat,

Dated, Bangalore 29th May 1923.

Dear Mr. Ranganatha Rao Sahib,

With reference to your report to the Dewan for the week ending 3rd May 1923 in which you have proposed a deposit of £20,000 with Messrs. Tata & Co., I am desired to state that it is not considered desirable to make the proposed investment.

Yours sincerely,

C. Ranganatha Rao Sahib, Esq., B.A., B.L.,
Officer on deputation, LONDON.

Seen 30/5

Mr S K
Please file replies of these
letters in B.
File Ro proposal & [illegible]
[illegible]
S.K 30/5